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Federal Communications Commission

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INTERNATIONAL SECTION 214 APPLICATION
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MAY 06 2004

Federal Communications Commission
Office of the Secretary

APPLICANT INFORMATION

Enter a description of this application to identify it on the main menu:

Assignment of Section 214 Authorization of Verestar Networks, Inc. (Debtor-in-Possession) to SES Americom, Inc.

1 Applicant

Name: SES Americom, Inc. Phone Number: 609-987-4000 x4187
DBA Name: Fax Number: 609-987-4233
Street: 4 Research Way E-Mail: nancy.eskenazi@ses-americom.com
City: Princeton State: NJ
Country: USA Zipcode: 08540 -
Attention: Nancy J. Eskenazi

2. Contact

Name: Phillip L. Spector Phone Number: 202-223-7300
Company: Paul, Weiss, Rifkind, Wharton & Garrison Fax Number: 202-223-7420
Street: 1615 L Street, N.W. E-Mail:
Suite 1300
City: Washington State: DC
Country: USA Zipcode: 20036 -
Contact Title: Legal Counsel Relationship: Same

3. Place of Incorporation of Applicant Delaware

4. Other Company(ies) and Place(s) of Incorporation
See Attachment 1

5. Service Type(s) (check all that apply)

☒ Global or Limited Global Facilities-Based Authority (Section 63.18(e)(1))

- ☒ Global or Limited Global Resale Authority (Section 63.18(e)(2))
☐ Individual Facilities-Based Service (Section 63.18(e)(3))
☐ Individual Switched Resale Service (Section 63.18(e)(3))
☐ Individual Facilities-Based and Resale Service (Section 63.18(e)(3))
☐ Switched Services over Private Lines (ISR) (Section 63.16 and/or 63.18 (e)(3))
☐ Inmarsat and Mobile Satellite Service (Section 63.18(e)(3))
☐ Overseas Cable Construction (Section 63.18(e)(3))
☐ Individual Non-Interconnected Private Line Resale Service (Section 63.18(e)(3))
☐ Other (Section 63.18(e)(3))

6a. Is a fee submitted with this application?

☒ If Yes, complete and attach FCC Form 159.

If No, indicate reason for fee exemption (see 47 C.F.R. Section 1.1114).

☐ Governmental Entity ☐ Noncommercial educational licensee

☐ Other (please explain)

6b Fee Classification CUT

7. Destination Country(ies) (e.g., "Country X", "All international points", "All international points except Country X and Country Y" or "Countries X, Y, and Z only") All international points

8 Caption (description of authority requested, e.g., Application for Authority to Provide International Facilities-Based and Resold Services to All International Points Except Country X)

Application for Assignment of International Section 214 Authorization Held by Verestar Networks, Inc. (Debtor-in-Possession) to SES Americom, Inc.

9 Does the applicant request streamlined processing pursuant to 47 C.F.R. Section 63.12? If yes, include in Attachment 1 a statement of how the application qualifies for streamlined processing

☒ Yes ☐ No

10 If applying for authority to provide switched services over private lines pursuant to Section 63.16, provide the required showing in Attachment 1.

Applicant certifies that its responses to questions 11 through 17 are true:

11 If the applicant is a foreign carrier, or is affiliated (as defined in 47 C.F.R. Section 63.09(e)) with a foreign carrier, provide in Attachment 1 the information and certifications required by Section 63.18(i) through (m).

12 Does the applicant seek authority to provide service to any destination described in paragraphs (1) through (4) of Section 63.18(j)? If yes, list those destinations in Attachment 1 as a response to question 12 ☐ Yes ☒ No

13 Does the applicant seek authority to provide service to any destinations other than those listed in response to question 12 where it has an affiliation with a foreign carrier? If yes, list those destinations in Attachment 1 as a response to question 13 ☐ Yes ☒ No

14 [Section 63.18(h)] In Attachment 2, provide the name, address, citizenship and principal business of the applicant's ten percent or greater direct and indirect shareholders or other equity holders, and identify any interlocking directorates.

15 In Attachment 1, respond to paragraphs (d), (e)(3) and (g) of Section 63.18.

16 By checking Yes, the undersigned certifies that neither applicant nor any other party to the application is subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Act of 1988, 21 U.S.C. Section 862, because of a conviction for possession or distribution of a controlled substance. See 47 CFR 1.2002(b) for the meaning of "party to the application" for these purposes ☒ Yes ☐ No

17. By checking Yes, the applicant certifies that it has not agreed to accept special concessions directly or indirectly from a foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into such agreements in the future.

☒ Yes ☐ No

CERTIFICATION

18. Typed Name of Person Signing
Nancy J. Eskenazi

19. Title of Person Signing
Vice President & Associate General Counsel

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND / OR IMPRISONMENT

(U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION AUTHORIZATION (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).

20. 1

Application

2.

Attachment

3:

Attachment

FCC NOTICE REQUIRED BY THE PAPERWORK REDUCTION ACT

The public reporting for this collection of information is estimated to average 1 - 6,056 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data, and completing and reviewing the collection of information. If you have any comments on this burden estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, AMD-PERF, Paperwork Reduction Project (3060-0686), Washington, DC 20554. We will also accept your comments regarding the Paperwork Reduction Act aspects of this collection via the Internet if you send them to jboley@fcc.gov. PLEASE DO NOT SEND YOUR RESPONSE TO THIS ADDRESS.

Remember - You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number or if we fail to provide you with this notice. This collection has been assigned an OMB control number of 3060-0686.

THE FOREGOING NOTICE IS REQUIRED BY THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.

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BEFORE THE
Federal Communications Commission
WASHINGTON, D.C.

Federal Communications Commission
Office of the Secretary

In the Matter of

Application for Consent to Assign
the Domestic and International Section 214 Authorizations
held by Verestar, Inc. (Debtor-in-Possession) and Verestar
Networks, Inc. (Debtor-in-Possession)

File No. _____

**APPLICATION FOR CONSENT TO ASSIGN DOMESTIC AND INTERNATIONAL
SECTION 214 AUTHORIZATIONS**

Pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Sections 63.01, 63.18, and 63.24 of the Commission's rules, 47 C.F.R. §§ 63.01, 63.18, and 63.24, Verestar, Inc. (Debtor-in-Possession) and Verestar Networks, Inc. (Debtor-in-Possession) (collectively, "Verestar"), and SES AMERICOM, Inc. ("SES Americom") (all parties collectively, the "Applicants") hereby apply for authority to assign to SES Americom the domestic and international Section 214 authorizations held by Verestar.¹ As described below, the proposed transaction will serve the public interest.

¹ Verestar is not currently providing common carrier service, nonetheless, it holds both international and domestic Section 214 authorizations. This Application includes a request to assign both international and domestic Section 214 authorizations, and the Applicants are filing this Application simultaneously with the International Bureau and the Wireline Competition Bureau. In similarly proposed transactions, Verestar has requested that domestic Section 214 authorizations be included in the FCC's approval. The Applicants request assignment of domestic Section 214 authorizations herein to ensure that they obtain all requisite FCC approvals for the proposed transaction. Exhibit A provides the additional information requested by Sections 63.04(a)(6) through (a)(12) of the Commission's Rules, 47 C.F.R. § 63.04(a)(6)-(12), in connection with the assignment of domestic Section 214 authority.

I. DESCRIPTION OF THE PARTIES AND THE TRANSACTION

On December 22, 2003, Verestar, Inc. and its subsidiaries, Verestar Networks, Inc. and Verestar International, Inc. commenced voluntary cases under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").² As a result of the chapter 11 filings, the domestic and international Section 214 authorizations held by Verestar, Inc. underwent an involuntary, *pro forma* assignment to Verestar, Inc. (Debtor-in-Possession) and the domestic and international Section 214 authorizations held by Verestar Networks, Inc. underwent an involuntary, *pro forma* assignment and transfer of control to Verestar Networks, Inc. (Debtor-in-Possession).³

Pursuant to an Asset Sale Agreement entered into on April 21, 2004, Verestar will assign substantially all of its assets to SES Americom, including its FCC licenses and authorizations. An *Order* approving the transaction was issued by the Bankruptcy Court on April 23, 2004. The Applicants plan to consummate the transaction upon the satisfaction of all the conditions in the Asset Sale Agreement, including receipt of FCC approval thereof.⁴

² The cases before the Bankruptcy Court are being jointly administered for procedural purposes only under case number 03-18077(ALG)

Verestar International, Inc. (Debtor-in-Possession) holds no FCC licenses or authorizations.

Verestar Networks, Inc. (Debtor-in-Possession) is a wholly owned subsidiary of Verestar, Inc. (Debtor-in-Possession) which, in turn, is a wholly owned subsidiary of American Tower Corporation

³ Verestar, Inc. and Verestar Networks, Inc. filed the requisite involuntary, *pro forma* assignment applications for its FCC licenses and authorizations on December 31, 2003. However, the International Bureau Filing System has not yet been updated to reflect the name change of the licensees for either Verestar's international Section 214 authorizations or its earth station licenses that were subject to the same *pro forma* assignment

⁴ To ensure that Verestar is able to continue providing service prior to the receipt of the required regulatory approvals, SES Americom has agreed to provide funding and certain administrative services to Verestar on an interim basis. Such funding and administrative services are to be provided pursuant to an *Interim Funding Agreement*

Verestar is a non-dominant provider of domestic and international communications services. Verestar's customers include broadcasters, multi-national corporations, and communications companies, as well as a variety of U.S. government agencies. Verestar's services are provided primarily through satellite transponder capacity. Verestar has earth station facilities located in Hawaii, New Jersey, Texas, Virginia, and Washington. Verestar resells transponder space segment capacity and provides teleport (earth station uplink/downlink) services for its customers. In addition, Verestar provides terrestrial wireline/wireless or IP transport for customers' communications traffic to and/or from its teleports through the use of leased fiber capacity. Verestar also has microwave facilities located in California, New York, and Texas that it uses to provide some domestic, wireless communications services on a private carrier basis.

SES Americom and its affiliates provide U.S. domestic and international satellite services through a fleet of 16 geosynchronous satellites and supporting network facilities. SES Americom is one of the largest U.S. providers of fixed satellite service ("FSS") transponder capacity. SES Americom's customers use SES Americom's satellite capacity for video distribution (e.g., broadcast, direct-to-home, and cable), radio programming distribution, high-speed Internet access, private network, data, and voice services. SES Americom also offers spacecraft management services. Through its Americom Government Services, Inc. subsidiary, the company also provides satellite services to the U.S. Government, including the Department of Defense, the Department of Homeland Security, and the FBI.

SES GLOBAL S.A. ("SES Global") is a group management company and the parent company of SES Americom. Through its European-based subsidiary, SES ASTRA S.A., and its

equity interests in satellite service providers in other parts of the world, the SES Global family of companies provides satellite services in the Americas, Asia, Europe, and Africa.

II PUBLIC INTEREST CONSIDERATIONS

The proposed transaction will serve the public interest. Verestar's financial distress creates a substantial risk that its customers will experience service interruptions and/or discontinuance. Verestar's creditors have indicated that they are no longer willing to extend additional credit to the company. Through the purchase of Verestar's assets and the assignment of Verestar's licenses and authorizations, SES Americom will provide the necessary financial stability for continuation of these services

Moreover, a significant portion of the traffic that flows through Verestar's network includes sensitive communications carried for U.S. government customers. This fact heightens the need to protect Verestar's operations from disruption. An interruption of such services could negatively impact important government communications, including services directly supporting national security activities. The Commission's granting of the instant applications will ensure that such operations continue unimpeded. SES Americom already provides service to a variety of U.S. government entities through its Americom Government Services subsidiary, which possesses all of the necessary approvals, security clearances, and experience to meet the unique needs of these customers.⁵

As the Applicants move forward with the necessary transition required by the proposed transaction, SES Americom will work to provide Verestar's customers with a seamless transition

⁵ Once the instant Application has been granted by the Commission and the subject transaction closed, SES Americom *intends to assign* those Verestar earth stations and related assets that are dedicated to the provision of services to various U S Government agencies to Americom Government Services, consistent with the Commission's pro forma assignment procedures

upon consummation of the proposed transaction. As a leading satellite operator and service provider, SES Americom possesses the financial, managerial, and technical qualifications to assume responsibility for Verestar's ongoing operations.

III. INFORMATION REQUIRED BY SECTIONS 63.18 and 63.24(e)

In accordance with Section 63.24(e)(2) of the Commission's Rules, the applicants submit the following information in support of this Application.

Assignors: Verestar, Inc. (Debtor-in-Possession) and Verestar Networks, Inc. (Debtor-in-Possession)

- (a) Name, Address and Telephone number of the Assignors:

Verestar, Inc. (Debtor-in-Possession), FRN: 0010068609
Verestar Networks, Inc. (Debtor-in-Possession), FRN 0010069151
3040 Williams Drive
Suite 600
Fairfax, VA 22031
Phone: (703) 205-2591

- (b) Verestar, Inc. (Debtor-in-Possession), and Verestar Networks, Inc. (Debtor-in-Possession) are corporations organized under the laws of Delaware.

- (c) Correspondence concerning this Application should be sent to:

Scott H. Lyon
Assistant General Counsel
Verestar, Inc (Debtor-in-Possession)
Verestar Networks, Inc. (Debtor-in-Possession)
3040 Williams Drive
Suite 600
Fairfax, Virginia 22030
Phone: (703) 205-2591
Fax: (571) 226-5718

with a copy to:

Thomas Jones
Angie Kronenberg
Willkie Farr & Gallagher LLP
1875 K Street, N.W.
Washington, D.C. 20006-1238

Phone. (202) 303-1000

Fax. (202) 303-2000

- (d) Verestar is authorized pursuant to Section 214 of the Communications Act of 1934, as amended, and 47 C.F.R. §§ 63.18(e)(1) and 63.18(e)(2) to provide global facilities-based and resale services between the United States and all authorized international points. Verestar, Inc. (Debtor-in-Possession) is authorized under ITC-214-19960801-00362, ITC-214-19971209-00769 and ITC-T/C-19980528-00353, while Verestar Networks, Inc. (Debtor-in-Possession) is authorized under ITC-214-19961230-00657.

Assignee: SES Americom, Inc.

- (a) Name, address, and telephone number of Assignee:

SES AMERICOM, Inc., FRN: 0003762366
4 Research Way
Princeton, NJ 08540
Phone: (609) 987-4000

- (b) SES Americom is a corporation organized under the laws of Delaware.
- (c) Correspondence concerning this Application should be sent to:

Nancy Eskenazi
Vice President and Associate General Counsel
SES AMERICOM, Inc.
4 Research Way
Princeton, NJ 08540
Phone: (609) 987-4187
Fax: (609) 987-4233

with a copy to:

Phillip L. Spector
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1615 L Street, N.W., Suite 1300
Washington, DC 20036
Phone: (202) 223-7300
Fax: (202) 223-7420

- (d) SES Americom does not hold any Section 214 authorizations.
- (e)(3) By this Application, the Applicants seek authority to assign Verestar's international and domestic Section 214 authorizations to SES Americom.

- (f) Not applicable.
- (g) Not applicable.
- (h) SES Americom is controlled by and indirectly wholly-owned by SES Global.

SES GLOBAL, S.A.
Chateau de Betzdorf
L-6815, Betzdorf
Luxembourg
Principal Business: Telecommunications
Jurisdiction of Formation: Luxembourg
Ownership: 100%

The following entities hold a 10% or greater ownership interest in SES Global:

1. General Electric Capital Corporation
260 Long Ridge Road
Stamford, CT 06927
Principal Business: Financial Services
Jurisdiction of Formation: United States
Ownership: 20.1% (voting), 30.73% (economic)
2. Deutsche Telekom, A.G.
Friedrich-Ebert-Allee 140
Bonn, 53113
Germany
Principal Business: Telecommunications and Information Services
Jurisdiction of Formation: Germany
Ownership: 10.53% (voting), 13.15% (economic)
3. The State of Luxembourg and Banque et Caisse d'Epargne de l'Etat ("BCEE") and Societe National de Credit et d'Investissement ("SNCI"), each of which is an institution created by act of the Luxembourg Parliament and 100% owned by the State of Luxembourg, hold shares of SES Global representing a combined total economic interest of 16.67% and voting power of 34.90%. The principal business of both BCEE and SNCI is financial services. The addresses of the State of Luxembourg, BCEE, and SNCI are as follows:

State of Luxembourg
Ministry of State
4 rue de la Congregation
L-291-0, Betzdorf, Luxembourg

Banque et Caisse d'Epargne de l'Etat

1 Place de Metz
L-295-4 Luxembourg

Societe National de Credit et d'Investissement
7 Place du St. Esprit
L-147-5 Luxembourg

- (i) SES Americom certifies that it is not a foreign carrier within the meaning of Section 63.09(d) of the Commission's Rules. SES Global is a group management company, which does not provide telecommunications service. SES Global is affiliated with the foreign carriers listed below. SES Global certifies to the information in this paragraph.

<u>Name of Carrier</u>	<u>Indirect Ownership by SES Global</u>
SES ASTRA, S.A. ("SES Astra")	100%
Asia Satellite Telecommunications Co. Ltd. ("AsiaSat")	34.10%
Nordic Satellite AB ("NSAB")	75%
Nahuelsat S.A. ("Nahuelsat")	28.75%
Satlynx Luxembourg S.A. ("Satlynx")	41.69%
Star One S.A. ("Star One")	19.99%

SES Astra, which is based in Luxembourg, provides satellite communications services throughout Europe and in Africa. AsiaSat, which is based in Hong Kong, provides satellite communications services throughout Asia and the Pacific region. NSAB, which is based in Sweden, provides satellite communications services in Scandinavia, the Baltic States, Poland, and Russia. Nahuelsat, which is based in Argentina, provides satellite communications services in South America. Star One, which is based in Brazil, also provides satellite communications services in South America. Satlynx, which is based in Luxembourg, provides two-way broadband satellite communications services in Europe.

- (j) SES Americom seeks authority for Verestar to continue to provide international telecommunications services after the transaction is consummated to all of the countries as to which it currently is authorized.
- (k) The countries in which the affiliates of SES Global have their principal place of business are all members of the World Trade Organization ("WTO"); however, not all of the countries served by the affiliates are members of the WTO. None of SES Global, SES Astra, AsiaSat, NSAB, Nahuelsat, Satlynx, or Star One has market power in the international transport and local access markets in any of the countries they serve.
- (l), (m) SES Americom, SES Global, and SES Global's affiliates request non-dominant regulatory treatment on the routes Verestar is authorized to serve. None of SES

Global, SES Astra, AsiaSat, NSAB, Nahuelsat, Satlynx, or Star One has market power in the international transport and local access markets in any of the countries they serve.

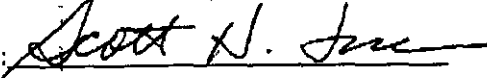
- (n) SES Americom certifies that none of it SES Global, SES Astra, AsiaSat, NSAB, Nahuelsat, Satlynx, or Star One has agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.
- (o) The Applicants certify, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules, that they are not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) The Applicants do not request streamlined processing of this Application pursuant to Section 63.12 of the Commission's Rules. 47 C.F.R. § 63.12.

IV. CONCLUSION

For the foregoing reasons, the Applicants request that the Commission authorize the assignment of the domestic and international Section 214 authorizations from Verestar to SES Americom.

Respectfully Submitted,

Verestar, Inc. (Debtor-In-Possession)
Verestar Networks, Inc. (Debtor-In-Possession)

By: 

Scott H. Lyon
Assistant General Counsel
Verestar, Inc. (Debtor-in-Possession)
Verestar Networks, Inc. (Debtor-in-Possession)
3040 Williams Drive
Suite 600
Fairfax, Virginia 22030
(703) 205-2591

Thomas Jones
Angie Kronenberg
Willkie Farr & Gallagher LLP
1875 K Street N.W.
Washington, D.C. 20036
(202) 303-1000

Dated: April 29, 2004

SES AMERICOM, Inc.

By: Nancy Eskenazi

Nancy Eskenazi
Vice President and Associate General Counsel
SES AMERICOM, Inc
4 Research Way
Princeton, NJ 08540
(609) 987-4000

Phillip L. Spector
Paul Weiss Rifkind Wharton & Garrison LLP
1615 L Street, N.W
Suite 1300
Washington, D.C. 20036-5694
(202) 223-7300

Dated: April 21, 2004

EXHIBIT A

DOMESTIC SECTION 214 TRANSFER OF CONTROL INFORMATION

Pursuant to Section 63.04 of the Commission's Rules, 47 C.F.R. § 63.04, the Applicants request authority to assign the domestic authorization of Verestar to SES Americom. Although Verestar does not provide any common carrier telecommunications services pursuant to its domestic Section 214 authorizations, in order to ensure that the Applicants obtain all of the requisite regulatory approvals, the Applicants are filing a combined application to assign all of Verestar's Section 214 authorizations, both international and domestic, pursuant to Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04(b). The Applicants provide the following information, requested by Sections 63.04(b)(6) through (b)(12) of the Commission's Rules, 47 C.F.R. § 63.04(b)(6)-(12), in support of their request to assign Verestar's authorizations:

63.04(b)(6): Description of the Transaction

The proposed transaction is described in Section I of the application to which this Exhibit A is attached.

63.04(b)(7): Description of Geographic Service Area and Services in Each Area

Verestar does not provide any common carrier telecommunications services pursuant to its domestic Section 214 authorizations. Verestar provides communications services in support of its earth station service in a limited geographic area on a private carrier basis. SES Americom plans to continue those services.

63.04(b)(8): Presumption of Non-Dominance and Qualification for Streamlining

This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) of the Commission's Rules, 47 C.F.R. § 63.03(b)(2)(i). As a result of the proposed transaction, SES Americom will have market share in the interstate, interexchange market of less than 10 percent, and SES Americom will not be dominant with respect to any domestic service.

63.04(b)(9): Other Pending Commission Applications Concerning the Proposed Transaction

Verestar and SES Americom have filed applications for the assignment of Verestar's 77 earth station licenses and 83 wireless licenses.

63.04(b)(10): Special Considerations

As described more fully in Section I of the application, the proposed transaction is a critical element in the bankruptcy proceedings of Verestar. The transaction has been approved by the U.S. Bankruptcy Court for the Southern District of New York. It is imperative that the

assignment of Verestar's authorizations be approved as soon as possible to protect Verestar's customers.

63.04(b)(11): Waiver Requests (If Any)

None.

63.04(b)(12): Public Interest Statement

The proposed transaction is in the public interest for the reasons stated in Section II of the application to which this Exhibit A is attached.

**Federal Communications Commission****INTERNATIONAL SECTION 214 APPLICATION****FOR OFFICIAL USE ONLY****[Click here for INSTRUCTIONS.]****APPLICANT INFORMATION**

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1. Applicant

Name: SES Americom, Inc. Phone Number: 609-987-4000 x4187
DBA Name: Fax Number: 609-987-4233
Street: 4 Research Way E-Mail: nancy.eskenazi@ses-americom.com
City: Princeton State: NJ
Country: USA Zipcode: 08540 -
Attention: Nancy J. Eskenazi

2 Contact

Name: Phillip L. Spector Phone Number: 202-223-7300
Company: Paul, Weiss, Rifkind, Wharton & Garrison Fax Number: 202-223-7420
Street: 1615 L Street, N.W. E-Mail:
Suite 1300
City: Washington State: DC
Country: USA Zipcode: 20036 -
Contact Title: Legal Counsel Relationship: Same

3 Place of Incorporation of Applicant Delaware

4 Other Company(ies) and Place(s) of Incorporation
See Attachment 1

5 Service Type(s) (check all that apply)☒ Global or Limited Global Facilities-Based Authority (Section 63.18(e)(1))

- ☒ Global or Limited Global Resale Authority (Section 63.18(e)(2))
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☐ Overseas Cable Construction (Section 63.18(e)(3))
☐ Individual Non-Interconnected Private Line Resale Service (Section 63.18(e)(3))
☐ Other (Section 63.18(e)(3))

6a Is a fee submitted with this application?

☒ If Yes, complete and attach FCC Form 159

If No, indicate reason for fee exemption (see 47 C.F.R. Section 1.1114)

☐ Governmental Entity ☐ Noncommercial educational licensee

☐ Other (please explain):

6b Fee Classification CUT

7 Destination Country(ies) (e.g., "Country X", "All international points", "All international points except Country X and Country Y" or "Countries X, Y, and Z only".) All international points

8. Caption (description of authority requested, e.g., Application for Authority to Provide International Facilities-Based and Resold Services to All International Points Except Country X)

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☒ Yes ☐ No

10 If applying for authority to provide switched services over private lines pursuant to Section 63.16, provide the required showing in Attachment 1.

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11 If the applicant is a foreign carrier, or is affiliated (as defined in 47 C.F.R. Section 63.09(e)) with a foreign carrier, provide in Attachment 1 the information and certifications required by Section 63.18(i) through (m).

12 Does the applicant seek authority to provide service to any destination described in paragraphs (1) through (4) of Section 63.18(j)? If yes, list those destinations in Attachment 1 as a response to question 12. ☐ Yes ☒ No

13 Does the applicant seek authority to provide service to any destinations other than those listed in response to question 12 where it has an affiliation with a foreign carrier? If yes, list those destinations in Attachment 1 as a response to question 13. ☐ Yes ☒ No

14 [Section 63.18(h)] In Attachment 2, provide the name, address, citizenship and principal business of the applicant's ten percent or greater direct and indirect shareholders or other equity holders, and identify any interlocking directorates.

15 In Attachment 1, respond to paragraphs (d), (e)(3) and (g) of Section 63.18

16 By checking Yes, the undersigned certifies that neither applicant nor any other party to the application is subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Act of 1988, 21 U.S.C. Section 862, because of a conviction for possession or distribution of a controlled substance. See 47 CFR 1.2002(b) for the meaning of "party to the application" for these purposes. ☒ Yes ☐ No

17. By checking Yes, the applicant certifies that it has not agreed to accept special concessions directly or indirectly from a foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into such agreements in the future

☒ Yes ☐ No

CERTIFICATION

18. Typed Name of Person Signing Nancy J. Eskenazi	19 Title of Person Signing Vice President & Associate General Counsel
<p>WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND / OR IMPRISONMENT (U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION AUTHORIZATION (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).</p>	
20 1 Application	2: Application
3: Application	

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Menu

BEFORE THE
Federal Communications Commission
WASHINGTON, D.C.

In the Matter of

Application for Consent to Assign
the Domestic and International Section 214 Authorizations
held by Verestar, Inc. (Debtor-in-Possession) and Verestar
Networks, Inc. (Debtor-in-Possession)

File No. _____

**APPLICATION FOR CONSENT TO ASSIGN DOMESTIC AND INTERNATIONAL
SECTION 214 AUTHORIZATIONS**

Pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Sections 63.01, 63.18, and 63.24 of the Commission's rules, 47 C.F.R. §§ 63.01, 63.18, and 63.24, Verestar, Inc. (Debtor-in-Possession) and Verestar Networks, Inc. (Debtor-in-Possession) (collectively, "Verestar"), and SES AMERICOM, Inc. ("SES Americom") (all parties collectively, the "Applicants") hereby apply for authority to assign to SES Americom the domestic and international Section 214 authorizations held by Verestar.¹ As described below, the proposed transaction will serve the public interest.

¹ Verestar is not currently providing common carrier service, nonetheless, it holds both international and domestic Section 214 authorizations. This Application includes a request to assign both international and domestic Section 214 authorizations, and the Applicants are filing this Application simultaneously with the International Bureau and the Wireline Competition Bureau. In similarly proposed transactions, Verestar has requested that domestic Section 214 authorizations be included in the FCC's approval. The Applicants request assignment of domestic Section 214 authorizations herein to ensure that they obtain all requisite FCC approvals for the proposed transaction. Exhibit A provides the additional information requested by Sections 63.04(a)(6) through (a)(12) of the Commission's Rules, 47 C.F.R. § 63.04(a)(6)-(12), in connection with the assignment of domestic Section 214 authority.

I. DESCRIPTION OF THE PARTIES AND THE TRANSACTION

On December 22, 2003, Verestar, Inc. and its subsidiaries, Verestar Networks, Inc. and Verestar International, Inc. commenced voluntary cases under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").² As a result of the chapter 11 filings, the domestic and international Section 214 authorizations held by Verestar, Inc. underwent an involuntary, *pro forma* assignment to Verestar, Inc. (Debtor-in-Possession) and the domestic and international Section 214 authorizations held by Verestar Networks, Inc. underwent an involuntary, *pro forma* assignment and transfer of control to Verestar Networks, Inc. (Debtor-in-Possession).³

Pursuant to an Asset Sale Agreement entered into on April 21, 2004, Verestar will assign substantially all of its assets to SES Americom, including its FCC licenses and authorizations. An *Order* approving the transaction was issued by the Bankruptcy Court on April 23, 2004. The Applicants plan to consummate the transaction upon the satisfaction of all the conditions in the Asset Sale Agreement, including receipt of FCC approval thereof.⁴

² The cases before the Bankruptcy Court are being jointly administered for procedural purposes only under case number 03-18077(ALG)

Verestar International, Inc. (Debtor-in-Possession) holds no FCC licenses or authorizations.

Verestar Networks, Inc. (Debtor-in-Possession) is a wholly owned subsidiary of Verestar, Inc. (Debtor-in-Possession) which, in turn, is a wholly owned subsidiary of American Tower Corporation

³ Verestar, Inc. and Verestar Networks, Inc. filed the requisite involuntary, *pro forma* assignment applications for its FCC licenses and authorizations on December 31, 2003. However, the International Bureau Filing System has not yet been updated to reflect the name change of the licensees for either Verestar's international Section 214 authorizations or its earth station licenses that were subject to the same *pro forma* assignment

⁴ To ensure that Verestar is able to continue providing service prior to the receipt of the required regulatory approvals, SES Americom has agreed to provide funding and certain administrative services to Verestar on an interim basis. Such funding and administrative services are to be provided pursuant to an Interim Funding Agreement

Verestar is a non-dominant provider of domestic and international communications services. Verestar's customers include broadcasters, multi-national corporations, and communications companies, as well as a variety of U.S. government agencies. Verestar's services are provided primarily through satellite transponder capacity. Verestar has earth station facilities located in Hawaii, New Jersey, Texas, Virginia, and Washington. Verestar resells transponder space segment capacity and provides teleport (earth station uplink/downlink) services for its customers. In addition, Verestar provides terrestrial wireline/wireless or IP transport for customers' communications traffic to and/or from its teleports through the use of leased fiber capacity. Verestar also has microwave facilities located in California, New York, and Texas that it uses to provide some domestic, wireless communications services on a private carrier basis.

SES Americom and its affiliates provide U.S. domestic and international satellite services through a fleet of 16 geosynchronous satellites and supporting network facilities. SES Americom is one of the largest U.S. providers of fixed satellite service ("FSS") transponder capacity. SES Americom's customers use SES Americom's satellite capacity for video distribution (e.g., broadcast, direct-to-home, and cable), radio programming distribution, high-speed Internet access, private network, data, and voice services. SES Americom also offers spacecraft management services. Through its Americom Government Services, Inc. subsidiary, the company also provides satellite services to the U.S. Government, including the Department of Defense, the Department of Homeland Security, and the FBI.

SES GLOBAL S.A. ("SES Global") is a group management company and the parent company of SES Americom. Through its European-based subsidiary, SES ASTRA S.A., and its

equity interests in satellite service providers in other parts of the world, the SES Global family of companies provides satellite services in the Americas, Asia, Europe, and Africa.

II PUBLIC INTEREST CONSIDERATIONS

The proposed transaction will serve the public interest. Verestar's financial distress creates a substantial risk that its customers will experience service interruptions and/or discontinuance. Verestar's creditors have indicated that they are no longer willing to extend additional credit to the company. Through the purchase of Verestar's assets and the assignment of Verestar's licenses and authorizations, SES Americom will provide the necessary financial stability for continuation of these services.

Moreover, a significant portion of the traffic that flows through Verestar's network includes sensitive communications carried for U.S. government customers. This fact heightens the need to protect Verestar's operations from disruption. An interruption of such services could negatively impact important government communications, including services directly supporting national security activities. The Commission's granting of the instant applications will ensure that such operations continue unimpeded. SES Americom already provides service to a variety of U.S. government entities through its Americom Government Services subsidiary, which possesses all of the necessary approvals, security clearances, and experience to meet the unique needs of these customers⁵

As the Applicants move forward with the necessary transition required by the proposed transaction, SES Americom will work to provide Verestar's customers with a seamless transition

⁵ Once the instant Application has been granted by the Commission and the subject transaction closed, SES Americom intends to assign those Verestar earth stations and related assets that are dedicated to the provision of services to various U.S. Government agencies to Americom Government Services, consistent with the Commission's pro forma assignment procedures

upon consummation of the proposed transaction. As a leading satellite operator and service provider, SES Americom possesses the financial, managerial, and technical qualifications to assume responsibility for Verestar's ongoing operations.

III. INFORMATION REQUIRED BY SECTIONS 63.18 and 63.24(e)

In accordance with Section 63.24(e)(2) of the Commission's Rules, the applicants submit the following information in support of this Application.

Assignors: Verestar, Inc. (Debtor-in-Possession) and Verestar Networks, Inc. (Debtor-in-Possession)

- (a) Name, Address and Telephone number of the Assignors:

Verestar, Inc. (Debtor-in-Possession), FRN: 0010068609
Verestar Networks, Inc. (Debtor-in-Possession), FRN 0010069151
3040 Williams Drive
Suite 600
Fairfax, VA 22031
Phone: (703) 205-2591

- (b) Verestar, Inc. (Debtor-in-Possession), and Verestar Networks, Inc. (Debtor-in-Possession) are corporations organized under the laws of Delaware.

- (c) Correspondence concerning this Application should be sent to:

Scott H. Lyon
Assistant General Counsel
Verestar, Inc. (Debtor-in-Possession)
Verestar Networks, Inc. (Debtor-in-Possession)
3040 Williams Drive
Suite 600
Fairfax, Virginia 22030
Phone: (703) 205-2591
Fax: (571) 226-5718

with a copy to:

Thomas Jones
Angie Kronenberg
Willkie Farr & Gallagher LLP
1875 K Street, N.W.
Washington, D.C. 20006-1238

Phone: (202) 303-1000
Fax: (202) 303-2000

- (d) Verestar is authorized pursuant to Section 214 of the Communications Act of 1934, as amended, and 47 C.F.R. §§ 63.18(e)(1) and 63.18(e)(2) to provide global facilities-based and resale services between the United States and all authorized international points. Verestar, Inc. (Debtor-in-Possession) is authorized under ITC-214-19960801-00362, ITC-214-19971209-00769 and ITC-T/C-19980528-00353, while Verestar Networks, Inc. (Debtor-in-Possession) is authorized under ITC-214-19961230-00657.

Assignee: SES Americom, Inc.

- (a) Name, address, and telephone number of Assignee:

SES AMERICOM, Inc., FRN: 0003762366
4 Research Way
Princeton, NJ 08540
Phone: (609) 987-4000

- (b) SES Americom is a corporation organized under the laws of Delaware.

- (c) Correspondence concerning this Application should be sent to:

Nancy Eskenazi
Vice President and Associate General Counsel
SES AMERICOM, Inc.
4 Research Way
Princeton, NJ 08540
Phone: (609) 987-4187
Fax: (609) 987-4233

with a copy to:

Phillip L. Spector
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1615 L Street, N.W., Suite 1300
Washington, DC 20036
Phone: (202) 223-7300
Fax: (202) 223-7420

- (d) SES Americom does not hold any Section 214 authorizations.
- (e)(3) By this Application, the Applicants seek authority to assign Verestar's international and domestic Section 214 authorizations to SES Americom.

- (f) Not applicable.
- (g) Not applicable.
- (h) SES Americom is controlled by and indirectly wholly-owned by SES Global.

SES GLOBAL, S.A.
Chateau de Betzdorf
L-6815, Betzdorf
Luxembourg
Principal Business: Telecommunications
Jurisdiction of Formation: Luxembourg
Ownership: 100%

The following entities hold a 10% or greater ownership interest in SES Global:

1. General Electric Capital Corporation
260 Long Ridge Road
Stamford, CT 06927
Principal Business: Financial Services
Jurisdiction of Formation: United States
Ownership: 20.1% (voting), 30.73% (economic)
2. Deutsche Telekom, A.G.
Friedrich-Ebert-Alle 140
Bonn, 53113
Germany
Principal Business: Telecommunications and Information Services
Jurisdiction of Formation: Germany
Ownership: 10.53% (voting), 13.15% (economic)
3. The State of Luxembourg and Banque et Caisse d'Epargne de l'Etat ("BCEE") and Societe National de Credit et d'Investissement ("SNCI"), each of which is an institution created by act of the Luxembourg Parliament and 100% owned by the State of Luxembourg, hold shares of SES Global representing a combined total economic interest of 16.67% and voting power of 34.90%. The principal business of both BCEE and SNCI is financial services. The addresses of the State of Luxembourg, BCEE, and SNCI are as follows:

State of Luxembourg
Ministry of State
4 rue de la Congregation
L-291-0, Betzdorf, Luxembourg

Banque et Caisse d'Epargne de l'Etat

1 Place de Metz
L-295-4 Luxembourg

Societe National de Credit et d'Investissement
7 Place du St. Fspirit
L-147-5 Luxembourg

- (i) SES Americom certifies that it is not a foreign carrier within the meaning of Section 63.09(d) of the Commission's Rules. SES Global is a group management company, which does not provide telecommunications service. SES Global is affiliated with the foreign carriers listed below. SES Global certifies to the information in this paragraph.

<u>Name of Carrier</u>	<u>Indirect Ownership by SES Global</u>
SES ASTRA, S A. ("SES Astra")	100%
Asia Satellite Telecommunications Co. Ltd. ("AsiaSat")	34.10%
Nordic Satellite AB ("NSAB")	75%
Nahuelsat S.A. ("Nahuelsat")	28.75%
Satlynx Luxembourg S.A. ("Satlynx")	41.69%
Star One S.A. ("Star One")	19.99%

SES Astra, which is based in Luxembourg, provides satellite communications services throughout Europe and in Africa. AsiaSat, which is based in Hong Kong, provides satellite communications services throughout Asia and the Pacific region. NSAB, which is based in Sweden, provides satellite communications services in Scandinavia, the Baltic States, Poland, and Russia. Nahuelsat, which is based in Argentina, provides satellite communications services in South America. Star One, which is based in Brazil, also provides satellite communications services in South America. Satlynx, which is based in Luxembourg, provides two-way broadband satellite communications services in Europe.

- (j) SES Americom seeks authority for Verestar to continue to provide international telecommunications services after the transaction is consummated to all of the countries as to which it currently is authorized.
- (k) The countries in which the affiliates of SES Global have their principal place of business are all members of the World Trade Organization ("WTO"); however, not all of the countries served by the affiliates are members of the WTO. None of SES Global, SES Astra, AsiaSat, NSAB, Nahuelsat, Satlynx, or Star One has market power in the international transport and local access markets in any of the countries they serve.
- (l), (m) SES Americom, SES Global, and SES Global's affiliates request non-dominant regulatory treatment on the routes Verestar is authorized to serve. None of SES

Global, SES Astra, AsiaSat, NSAB, Nahuelsat, Satlynx, or Star One has market power in the international transport and local access markets in any of the countries they serve.

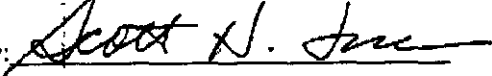
- (n) SES Americom certifies that none of it, SES Global, SES Astra, AsiaSat, NSAB, Nahuelsat, Satlynx, or Star One has agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.
- (o) The Applicants certify, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules, that they are not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) The Applicants do not request streamlined processing of this Application pursuant to Section 63.12 of the Commission's Rules. 47 C.F.R. § 63.12.

IV. CONCLUSION

For the foregoing reasons, the Applicants request that the Commission authorize the assignment of the domestic and international Section 214 authorizations from Verestar to SES Americom.

Respectfully Submitted,

Verestar, Inc. (Debtor-In-Possession)
Verestar Networks, Inc. (Debtor-In-Possession)

By: 

Scott H. Lyon
Assistant General Counsel
Verestar, Inc. (Debtor-in-Possession)
Verestar Networks, Inc. (Debtor-in-Possession)
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(703) 205-2591

Thomas Jones
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Willkie Farr & Gallagher LLP
1875 K Street N.W.
Washington, D.C. 20036
(202) 303-1000

Dated: April 29, 2004

SES AMERICOM, Inc.

By: Nancy Ekerlaz

Nancy Ekerlaz
Vice President and Associate General Counsel
SES AMERICOM, Inc
4 Research Way
Princeton, NJ 08540
(609) 987-4000

Phillip L. Spector
Paul Weiss Rifkind Wharton & Garrison LLP
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Washington, D.C. 20036-5694
(202) 223-7300

Dated: April 21, 2004

EXHIBIT A

DOMESTIC SECTION 214 TRANSFER OF CONTROL INFORMATION

Pursuant to Section 63.04 of the Commission's Rules, 47 C.F.R. § 63.04, the Applicants request authority to assign the domestic authorization of Verestar to SES Americom. Although Verestar does not provide any common carrier telecommunications services pursuant to its domestic Section 214 authorizations, in order to ensure that the Applicants obtain all of the requisite regulatory approvals, the Applicants are filing a combined application to assign all of Verestar's Section 214 authorizations, both international and domestic, pursuant to Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04(b). The Applicants provide the following information, requested by Sections 63.04(b)(6) through (b)(12) of the Commission's Rules, 47 C.F.R. § 63.04(b)(6)-(12), in support of their request to assign Verestar's authorizations:

63.04(b)(6): Description of the Transaction

The proposed transaction is described in Section I of the application to which this Exhibit A is attached.

63.04(b)(7): Description of Geographic Service Area and Services in Each Area

Verestar does not provide any common carrier telecommunications services pursuant to its domestic Section 214 authorizations. Verestar provides communications services in support of its earth station service in a limited geographic area on a private carrier basis. SES Americom plans to continue those services

63.04(b)(8): Presumption of Non-Dominance and Qualification for Streamlining

This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) of the Commission's Rules, 47 C.F.R. § 63.03(b)(2)(i). As a result of the proposed transaction, SES Americom will have market share in the interstate, interexchange market of less than 10 percent, and SES Americom will not be dominant with respect to any domestic service.

63.04(b)(9): Other Pending Commission Applications Concerning the Proposed Transaction

Verestar and SES Americom have filed applications for the assignment of Verestar's 77 earth station licenses and 83 wireless licenses.

63.04(b)(10): Special Considerations

As described more fully in Section I of the application, the proposed transaction is a critical element in the bankruptcy proceedings of Verestar. The transaction has been approved by the U.S. Bankruptcy Court for the Southern District of New York. It is imperative that the

assignment of Verestar's authorizations be approved as soon as possible to protect Verestar's customers.

63.04(b)(11): Waiver Requests (If Any)

None.

63.04(b)(12): Public Interest Statement

The proposed transaction is in the public interest for the reasons stated in Section II of the application to which this Exhibit A is attached.